



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16, AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**JUNE/JULY, 2013 EXAMINATIONS**

**Course Code:** MBA 805     **2 UNITS**  
**Course Title:** MANAGEMENT ACCOUNTING

**Time Allowed:** 2 Hours.

**Instructions:**

1. Attempt Question 1 and any other two (2) Questions.
2. Question 1 is compulsory and carries 30 marks while the other 2 Questions carry 20 marks each.
3. Present all your points in coherent and orderly manner

1. a] Define inventory control and state the three cost categories associated with it. 10 MARKS

b] Using the following data, calculate

- i. The reorder level
- ii. The minimum level, and
- iii. The maximum level.

Average usage     100 units per day  
Minimum usage     60 units per day  
Maximum usage     130 units per day  
Lead time           20-26 days  
EOQ                   4,000 units

10 marks

- C] i. State any three assumptions governing the Economic Order Quantity (EOQ)?

3marks

- ii. Find the EOQ where the forecasted demand is 1,000 units month, the ordering cost is ₦350 per order, the the units cost ₦8 each and it is estimated that carrying costs are 15% per annum.

8 MARKS

2. A] Define the term 'variable costing'.

5 MARKS

- B] A firm manufactures component BK 200 and the costs for the current production level of 50,000 units are:

Costs per unit	
	N
Materials	2.50
Labour	1.25
Variable overheads	1.75
Fixed overheads	3.50
<b>TOTAL COST PER UNIT</b>	<u><b>₦9.00</b></u>

Component BK 200 could be bought in for N7.75 and, if so, The production capacity utilized at present would be unused. Assuming that there no overriding technical consideration, should BK 200 be bought in or manufactured? Give reasons.

15 MARKS

3. a] What is Accounting Rate of Return (ARR)?

4 MARKS

b] State **three** advantages and disadvantages each of ARR.

6 MARKS

c] Mr. Felix was able to convince his Uncle to grant him a loan of N200,000.00, which he intends to invest in a farming project. He estimates that the project will yield the following

Year	Cash flow (N)
1	60,000.00
2	60,000.00
3	80,000.00
4	60,000.00
5	40,000.00

There was no scrap value at the end of the fifth year and he desires to evaluate the project on the basis of Accounting Rate of Return.

You are required to provide the ARR of this project on the assumption that the annual returns are profits after depreciation but before taxation.

10 MARKS

4. Describe the master budget.

20 MARKS

5. a] Define Budgetary Control.

4 MARKS

B] Discuss the advantages and disadvantages derivable from Budgetary Control System in an organisation.

16 MARKS



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JUNE 2013 EXAMINATION

**COURSE CODE:** BUS815 / *MBASIS* **CREDIT UNIT:** 2  
**COURSE TITLE:** MANAGEMENT INFORMATION SYSTEM  
**TIME ALLOWED:** 2 hrs.  
**INSTRUCTION:** 1. Attempt question Number one (1) and any other two (2).  
2. Question number 1 is compulsory and carries 30 marks, while the other questions carry equal marks each

3. Present all your points in coherent and orderly manner

- 1
  - (a) Briefly explain Geography Information System
  - (b) Define the Risk Management and discuss four (4) types of information system maintenance
  - (c) Discuss the following potential Risk treatment methods:
    - Risk Reduction
    - Risk Retention
    - Risk Transfer
    - Risk Avoidance
- 2
  - (a) Discuss the task and activities involved in the Requirement Analysis Phase of System Development.
  - (b) What are the roles and responsibilities of the following in the operations and maintenance phase of system design?
    - Project Manager
    - Technical Support
    - Customers
    - Process Improvement Review Board
    - Programme Analyst
3.
  - (a) Discuss the traditional constraints to project management.
  - (b) Discuss the three major elements contained in Information System's Strategic Planning
  - (c) Definition of the term Strategic Planning?
4.
  - (a) List twelve (12) common tasks in Project Management
  - (b) State the benefit of Strategic Information System Planning
5.
  - (a) What is the objective of the system design phase?
  - (b) List the tasks and activities involved in the System Design Phase.
  - (c) State the three processes of designing effective Geographical Information System.